

# COBEN



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# GENERAL INFORMATION

Two types of benefits:

- The Consolidated Benefits (CoBen)
- The CoBen Cash Option which will be in the Cash Option presentation

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## ELIGIBILITY

- Employees in Bargaining Units 2, 7, 8, 16, 17, 18, 19, and Excluded Employees

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# BENEFIT ALLOWANCE

- The State will establish one “combined” employer contribution amount for an employee’s health, dental and vision benefits
- Eligible employees are automatically enrolled in the State’s vision plan, this benefit is mandatory under CoBen

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## BENEFIT ALLOWANCE, 2

- The employees' benefit allowance is automatically established in the SCO payroll system, therefore, no enrollment form is required
- The effective date is the first of the following month after the PAR is keyed

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# AMOUNT OF BENEFIT ALLOWANCE

- The benefit allowance will depend on the number of dependents the employee chooses to cover (their party code)
- If the total cost of the plans is less than the benefit allowance, the difference as taxable cash (excess cash) is seen in the paycheck

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## AMOUNT OF BENEFIT ALLOWANCE, 2

- If the total cost of the plans is more than the benefit allowance, the difference (out-of-pocket) with pre-tax dollars is automatically deducted from the paycheck
- The CoBen Allowance does not go into retirement. The health and dental deductions will be shown as the State share and retiree share of the applicable premiums

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## AMOUNT OF BENEFIT ALLOWANCE, 3

- Health and vision only, then the premium amount that would be deducted from the allowance for dental is applied to reduce their out-of-pocket premium cost
- Cash in lieu of health benefits but enroll in a dental plan, the benefit allowance is the amount of the dental and vision premium



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# BENEFITS CALCULATOR

- Helps employees determine how much will be deducted from their paycheck, or added to it, based on which health and dental plans they choose
- The State vision coverage is automatically added into the calculation

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# BENEFITS WORKSHEET

- The CoBen Handbook includes a worksheet employees may fill out to help them calculate their benefit costs
- The Benefits Calculator is easier to use and allows employees to try different scenarios

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# ENROLLMENT APPEAL PROCESS

In situations where there has been a discrepancy in processing, and the employee is not at fault, an enrollment/change appeal request will be considered

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# APPEALS

Appeals can be:

- Emailed to: [flexelect@calhr.ca.gov](mailto:flexelect@calhr.ca.gov) via secured e-mail
- Faxed to: (855) 629-7814
- Mailed to CalHR:

Department of Human Resources  
Benefits Division – FlexElect Program  
1515 S Street, North Building, Suite 500  
Sacramento, CA 95811-7258

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# CASH OPTION PROGRAMS FLEXELECT AND COBEN



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# LEARNING OBJECTIVES

After this presentation, you will be able to:

- Distinguish between FlexElect Cash Option and CoBen Cash Option
- Determine eligibility
- Understand the nuances of the Cash Option for P/FT and PI employees
- Submit appeals for special circumstances

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# CASH OPTION PROGRAMS

There are **two** Cash Option programs:

1. FlexElect Cash Option (Bargaining Units 1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 20 and 21)
2. CoBen Cash Option (Bargaining Units 2, 7, 8, 16, 17, 18, 19, and Excluded Employees)

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# ELIGIBILITY CRITERIA

State employees designated:

- Rank and File
- Managerial
- Supervisory
- Confidential
- All other employees excluded from collective bargaining (Constitutional Officers, employees of the Judicial Council, and Supreme, Appellate, and Superior Court Judges and the District Agricultural Associations)



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## ELIGIBILITY CRITERIA, 2

- Must have permanent status
- Limited-term or TAU appointments must have a mandatory right of return to a permanent position with a time base of one-half or more

**EXCEPTION:** Employees receiving the CoBen Cash Option do not need a mandatory right of return

- Must work one-half time or more
- Permanent-Intermittent (PI) employees

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## ELIGIBILITY CRITERIA, 3

- Unit 6 employees may not receive the FlexElect Cash Option in lieu of their dental insurance
- Employees who are maintaining coverage as a dependent on their parent's State-sponsored health and/or dental benefits **ARE NOW** eligible for the Cash Option (this is a change from prior years)

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# ELIGIBILITY RESTRICTIONS

- FlexElect Cash Option participants are not eligible for the CoBen Cash Option
- CoBen Cash Option participants are not eligible for the FlexElect Cash Option

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# CASH OPTION

- If the employee has qualifying group health and dental insurance from another source, they have the option to receive cash in lieu of health and/or dental benefits.
- Once enrolled, it is automatic each year (except for a Permanent-Intermittent employee – discussed later).
- Exception – PI employees must reenroll each year.

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# FLEXELECT CASH AMOUNTS

- \$140 – If both State-sponsored health and dental plans are declined
- \$128 – If only the State-sponsored health plan is declined
- \$12 – If only the State-sponsored dental plan is declined
- \$1 – monthly Administrative Fee

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# COBEN CASH AMOUNTS

- \$155 – If both State-sponsored health and dental plans are declined
- \$130 – If only the State-sponsored health plan is declined
- No cash if the State-sponsored dental plan is declined
- \$0 – monthly Administrative Fee

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# DENTAL PLAN THREE-YEAR COMMITMENT

- When an employee enrolls into the Dental Cash, they have to stay in it for three plan years

**Example:** Employee hired 12/30/16 and enrolls into the cash option. The 3 plan years are: (1) 2016, (2) 2017, and (3) 2018. During the 2018 Open Enrollment the employee may enroll into dental effective 1/1/2019

- It is important to make that clear to employees who enroll
- The Personnel Office should take steps to check for compliance of this rule when an employee tries to cancel their dental cash

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# EXCEPTION TO THE THREE-YEAR COMMITMENT

## **Exceptions:**

- Lose their other dental coverage
- Cancel both their health and dental CoBen Cash during open enrollment
- Have a valid permitting event

Note: The employee has 60 calendar days from their loss of coverage to cancel the dental cash and enroll into dental insurance. Otherwise, they must wait until open enrollment to enroll into a dental plan



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## DELTA DENTAL PLAN 24-MONTH RESTRICTION

- Employees in CoBen do not serve the State Dental Program's Delta Dental 24-month restriction period
- Newly hired employees and those who transfer from a Bargaining Unit that is not eligible for CoBen to one that is eligible, including those who are currently serving the 24-month restriction, will be allowed to enroll or change to a Delta Dental plan

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# PERMANENT-INTERMITTENT (PI) CASH

- Must have been eligible to be enrolled in health and dental insurance
- Must have a PI appointment from January 1 through June 30 of the Plan Year they have enrolled in

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## PI CASH, 2

- Must be paid for at least 480 hours worked during the January through June control period
- Must have completed a STD. 701C or STD 702 during the open enrollment period
- PI's must enroll each open enrollment period (cash only, no reimbursement accounts)

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## PI CASH, 3

- PI's are eligible for six months of cash minus the \$12 annual administrative fee (at the end of the control period)
- Unit 6 – no cash for dental, yes cash for medical
- All enrollments use form STD. 701C or STD. 702 – Cash Option Enrollment Authorization or Consolidated Benefits (CoBen) Cash Enrollment Election

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# LOSS OF ELIGIBILITY

- Change to a time base that is less than half-time
- Change to an appointment that is not permanent (such as LT or TAU) unless the employee has a mandatory right of return to a permanent position with a time base that is half-time or more
- Change to a Permanent-Intermittent (PI) position (may possibly reenroll as a newly eligible PI)

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# LOSS OF ELIGIBILITY PROCEDURE

- When an employee loses eligibility for FlexElect/CoBen due to one of the above events, his/her enrollment must be cancelled
- Cancellation of the FlexElect/CoBen enrollment due to a loss of eligibility may be processed administratively
- The Personnel Office is responsible for notifying the employee when an administrative FlexElect/CoBen cancellation is done

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# CHANGE IN STATUS EVENTS

In order for employees to enroll outside of open enrollment and/or cancel/change a current FlexElect/CoBen enrollment, they must experience a “change in status” (permitting event). See Attachment A in the manual. Examples of changes in status include:

- Marriage, divorce, legal separation, or annulment
- Birth or adoption of a child
- Death of a spouse, or dependent

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# CHANGE IN STATUS EVENTS, 2

- Loss or commencement of spouse's employment or loss of employee's or spouse's medical or dental coverage due to an employment status change
- Change in employee's or spouse's work schedule (e.g., FMLA, SDI, NDI, IDL, time-base change) that results in a loss or gain of eligibility and coverage
- Commencement or return from an unpaid leave of absence)



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## CHANGE IN STATUS, 3

- Loss or commencement of dependent's eligibility for medical coverage under the employee's health insurance plan
- Change in place of residence or worksite of the employee, spouse, or dependent
- Change in dependent care provider and/or provider dependent care cost

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# PERMITTING EVENTS

- Typically, employees enroll into a Cash Option program as newly eligible, during open enrollment or if they experience a change in status event (permitting event)
- Allowable status changes are listed in Appendix A of the FlexElect Section 700 and the CoBen Section 1600 of the BAM
- Note in Appendix A that Status Changes are listed as well as the Action Permitted
- Appendix A also lists the Permitting Event Code, Date, Effective Date of Action and Time Limit to File Document

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# PERMITTING EVENTS, 2

In Appendix A

- Permitting Events for Newly Eligible Enrollments are on Page 1 for both FlexElect and CoBen
- Permitting Events are listed beginning on page 2 and are for Participants Currently Enrolled in One or More Flex Options

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## PERMITTING EVENTS, 3

- Initial appointment (includes reinstatement following a permanent break in service)
- Change in time base/designation from one that was not eligible to one that is, or a PI who changes to a permanent position with a time base of half-time or more
- Marriage, divorce, commencement or termination of domestic partnership, legal separation, or annulment

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## PERMITTING EVENTS, 4

- Loss or commencement of health and/or dental coverage provided through spouse, domestic partner, or other source
- Move out of group practice plan service area
- New health and/or dental plan(s) in area where none was previously available;
- Change in bargaining unit or employee designation

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# ENROLLMENT APPEAL PROCESS

In situations where there has been a discrepancy in form processing, and the employee is not at fault, CalHR will consider an enrollment/change appeal, upon request

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# APPEALS

Appeals can be:

- Emailed to: [flexelect@calhr.ca.gov](mailto:flexelect@calhr.ca.gov) via secured e-mail
- Faxed to: (855) 629-7814
- Mailed to CalHR:

Department of Human Resources  
Benefits Division – FlexElect Program  
1515 S Street, North Building, Suite 500  
Sacramento, CA 95811-7258

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## QUESTION 1

Q1. If an employee has a limited-term or TAU appointment do they need to have a mandatory right of return to a permanent position with a time base of one-half or more to qualify for the cash option program?



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# ANSWER 1

A1. Yes, FlexElect  
No, CoBen

Only employees in the FlexElect Cash Option program need to have a mandatory right of return to a position with a time base of one-half or more to qualify for the cash option

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## QUESTION 2

Q2. If the employee's mandatory right of return is to a Permanent Intermittent (PI) position are they eligible for the cash option?

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## ANSWER 2

A2. No, the mandatory right of return must be to a position with a time base of one-half or more to qualify

This is for the FlexElect Cash Option

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## QUESTION 3

Q3. Which benefit are employees in the following bargaining units eligible for?

A. 1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 20, and 21

B. 2, 7, 8, 16, 17, 18, 19, and Excluded Employees

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## ANSWER 3

A3.

A. FlexElect Cash Option

B. CoBen Cash Option

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## QUESTION 4

Q4. Can employees in BU 6 have dental cash only?

Why?

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## ANSWER 4

A4. No, because they receive benefits through the CCPOA Trust

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# DIFFERENCES

## FlexElect

- If a limited-term or TAU appointment, must have a mandatory right of return to a permanent position with a time base of one-half or more

## CoBen

- Do not need a mandatory right of return to a permanent position



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## DIFFERENCES, 2

FlexElect – Bargaining Units

1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15,  
20 and 21

CoBen Cash – Bargaining Units

2, 7, 8, 16, 17, 18, 19, and Excluded  
Employees

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# DIFFERENCES, 3

## FlexElect

- \$140 – health and dental (except BU 6)
- \$128 – health only
- \$12 – dental only (except BU 6)
- \$1 – administrative fee

## CoBen

- \$155 – health and dental
- \$130 – health only
- N/A – cannot have dental only
- No administrative fee

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# DIFFERENCES, 4

## FlexElect – PI's

- \$840 – health and dental (except BU 6)
- \$768 – health only
- \$72 – dental only (except BU 6)
- \$12 – administrative fee

## CoBen – PI's

- \$930 – health and dental
- \$780 – health only
- N/A – cannot have dental only
- No administrative fee

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# CONTACT INFORMATION

[flexelect@calhr.ca.gov](mailto:flexelect@calhr.ca.gov)

(916) 327-6429

(855) 629-7814 (fax)

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# **FLEXELECT REIMBURSEMENT ACCOUNTS**



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# LEARNING OBJECTIVES

After this presentation, you will be able to:

- Understand the FlexElect Reimbursement Accounts; Medical and Dependent Care
- Determine eligibility
- Submit appeals for special circumstances

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# INTRODUCTION TO FLEXELECT

The State of California's FlexElect Program offers two types of employee benefits:

- Reimbursement Accounts
- Cash Options (separate presentation)

Participants may enroll in either benefit or both

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# ELIGIBILITY CRITERIA

State employees designated:

- Rank and File
- Managerial
- Supervisory
- Confidential
- All other employees excluded from collective bargaining (Constitutional Officers, employees of the Judicial Council, and Supreme, Appellate, and Superior Court Judges and the District Agricultural Associations)



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## ELIGIBILITY CRITERIA, continued

- Must have permanent status
- If a limited-term or TAU appointment, must have a mandatory right of return to a permanent position with a time base of one-half or more (*all employees enrolling into a reimbursement account*)
- Must work one-half time or more
- Permanent-Intermittent (PI) employees are not eligible

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# MEDICAL REIMBURSEMENT ACCOUNTS

- Reimbursed for yearly medical expenses
- Pre-tax (non-taxed) monthly deduction from paycheck
- No Federal, State, Social Security taxes withheld
- \$2,650 annual maximum (2019 Plan Year)
- \$10 monthly minimum

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## MRA, continued

- If enrolled over a 12-month period the monthly maximum is:
  - 2019 Plan Year limit is \$220.83
- Must elect to reenroll each year – during the annual open enrollment period
- Enrollment form – STD. 701R – Reimbursement Account Enrollment Authorization found in FlexElect Handbook, CalHR's website, or DGS's website

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# COBRA ENROLLMENT IN MRA

- If an employee elects to continue enrollment under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the pre-taxed funds they have already contributed to their MRA will be available for reimbursement of any future eligible expenses they may incur (through the end of the plan year), for as long as they continue to make COBRA contributions
- COBRA is not used for DCRA's

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## NO COBRA

If an employee chooses NOT to continue enrollment under COBRA, the pre-taxed funds they have already contributed to their MRA will only be available for reimbursement of eligible expenses incurred before the loss of coverage

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# COBRA NOTICES

- Initial Notice (Attachment C)
- Qualifying Event Notice (Attachment D)
- COBRA Election Form (Attachment E)
- Notices and Forms available as fill and print on CalHR's website

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# DEPENDENT CARE REIMBURSEMENT ACCOUNT

- Reimbursed for yearly eligible dependent care expenses
- Pre-tax (non-taxed) monthly deduction from paycheck
- No Federal, State, or Social Security taxes withheld
- \$5,000 annual maximum per household

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## DCRA, continued

- \$20 monthly minimum
- \$416.66 monthly maximum (if enrolled over a 12-month period)
- Must elect to reenroll each year during the annual open enrollment period
- Enrollment form – STD. 701R – Reimbursement Account Enrollment Authorization found in FlexElect Handbook, CalHR's website or DGS's website



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# HOW TO GET REIMBURSED

- Submit CalHR 351 (Claim Form, Rev. 05/12)
- After expense is incurred
- Submit claim form, with receipts to Administrator: ASIFlex
- All claims must be submitted by June 30 of the following year or funds will be forfeited (ASIFlex has direct deposit!)

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# LOSS OF ELIGIBILITY

- Change to a time base that is less than half-time
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- Change to a Permanent-Intermittent (PI) position

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# LOSS OF ELIGIBILITY PROCEDURE

- When an employee loses eligibility for FlexElect due to one of the above events, his/her enrollment must be cancelled
- Cancellation of the FlexElect enrollment due to a loss of eligibility may be processed administratively
- The Personnel Office is responsible for notifying the employee when an administrative FlexElect cancellation is done

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# CHANGE IN STATUS EVENTS

In order for employees to enroll outside of open enrollment and/or cancel/change a current FlexElect enrollment, they must experience a “change in status” (permitting event). See Attachment A in the manual. Examples of changes in status include:

- Marriage, divorce, legal separation, or annulment
- Birth or adoption of a child
- Death of a spouse, or dependent

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## CHANGE IN STATUS EVENTS, 2

- Loss or commencement of spouse's employment or loss of employee's or spouse's medical or dental coverage due to an employment status change
- Change in employee's or spouse's work schedule (e.g., FMLA, SDI, NDI, IDL, time-base change) that results in a loss or gain of eligibility and coverage
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## CHANGE IN STATUS, 3

- Loss or commencement of dependent's eligibility for medical coverage under the employee's health insurance plan
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# PERMITTING EVENTS

- Note in Appendix A and the FlexElect Handbook that Status Changes are listed as well as the Action Permitted
- Appendix A also lists the Permitting Event Code, Date, Effective Date of Action and Time Limit to File Document

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# PERMITTING EVENTS, 2

In Appendix A:

- Permitting Events for Newly Eligible Enrollments are on Page 1
- Permitting Events listed on Pages 2 – 5 are for Participants Currently Enrolled in One or More Flex Options



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# ENROLLMENT APPEAL PROCESS

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